**RFP23-73290**

**TECHNICAL PROPOSAL**

**ATTACHMENT F**

**Instructions: Please supply all requested information in the areas shaded yellow and indicate any attachments that have been included to support your responses.**

* + 1. **General Requirements and Definitions**
       1. Please list any additional terms and definitions used by your company or industry that you would like the State to consider incorporating in the contract. The State will not accept terms and definitions introduced after award and during contract finalization and implementation.

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| **None** |

* + - 1. Please confirm you have carefully reviewed all requirements listed in RFP Section 1.4. Should your company have any exceptions, substitutions, or conditions for the State’s consideration, please list them below. The State will not accept exceptions, substitutions, or conditions introduced after award, during contract finalization and implementation.

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| **None** |

* + - 1. How will the Vendor administer the disbursement of benefits under the program without DWD creating a distribution bank account or assuming any liability for Requirement E compliance?

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| For the DWD unemployment insurance program, NoCheck will provide support for disbursement of benefits without DWD creating a distribution bank account or assuming liability for Regulation E compliance. To accomplish this, we propose continued use of the NoCheck disbursement portal as you do today. This provides continued support for the processing of enrollment and payment files for the State of Indiana. NoCheck will continue to provide the interface from DWD and set up the files to direct deposit funds for payment, either to a claimant’s bank account, the U.S. Bank debit card or by echeck. In addition, future functionality could include expanding payment options to potentially include a virtual card for a claimant for use with Apple® Pay or Google® Pay.  We highly recommend offering a prepaid card program as one of the options for benefit disbursement. Offering a prepaid card incorporates a simple, electronic payment method for unbanked or underbanked claimants and allows DWD to ensure that every qualified recipient is able to receive their benefit payments quickly and efficiently. Prepaid Debit Cards help lower the cost to the claimant by eliminating check cashing fess. They are also much more cost efficient for the State as opposed to issuance of a paper check.  The ReliaCard program was built to support government benefit programs just like yours. It is extremely well received by cardholders and allows for numerous ways to use the card at no cost. In just the past couple of years alone, ReliaCard has been actively used by more than 3 million cardholders across the country. Today, it is used by 26 state unemployment agencies. With this level of experience, U.S. Bank is fully capable of providing a no-cost/low-cost debit card program for DWD. |

* + - 1. Please address how you will meet all the requirements in section 1.2 in the SOW?

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| See attached Executive Summary. |

* + - 1. How many payment distribution methods does the Vendor anticipate being able to offer?

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| DWD unemployment claimants will be able to choose how they receive their benefits. They can opt to receive:  1. Direct deposit to a bank account  2. Direct deposit to a U.S. Bank ReliaCard  3. Create and send a echeck  Future functionality, a virtual debit card for use with Apple or Google Pay |

* + - 1. Please list your payment distribution options. What is the Vendor’s preferred default distribution method?

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| NoCheck Group will offer three payment distribution options to claimants. They can opt to receive:  1. Direct deposit to a bank account  2. Direct deposit to a U.S. Bank ReliaCard  3. Create and send a echeck  We will work with DWD to determine the best default option for your claimants. The preferred option will be the claimants receive direct deposit to their primary banking account. For claimants that are unbanked or underbanked, the U.S. Bank ReliaCard prepaid car provides an alternative electronic payment distribution method. This allows DWD to ensure that every qualified recipient is able to receive their benefit payments electronically in a timely manner, including the unbanked or underbanked claimants. It also reduces the potential number checks your program will be required to send out. |

* + - 1. How does the Vendor intend to verify the identity of the individual receiving the distribution?

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| NoCheck receives validated demographic information from the DWD, including claimant name, address, date of birth, phone number and Social Security number. At this point, the claimant is transferred seamlessly to the NoCheck portal in order to select their preferred payment method. If direct deposit, the claimant enters routing and account number bank information. NoCheck validates that the bank account belongs to the account holder in real time and is open and in good standing (The bank verifications not currently used by DWD, but is used by other states and other large corporation client). Proposed functionalities may include driver’s license/ID verification and biometric verification. We will also be adding email and phone varication.  **NoCheck Personal Identity Verification Claimant Portal Enhancement for DWD**  NoCheck will work with DWD to develop and implement a personal identity verification process in accordance with your specifications. Once a claimant comes into the DWD portal to apply for unemployment benefits and has been authorized, they will be secure session transferred into the Claimant Portal hosted by NoCheck. At that time, they will choose their method of payment and will go through both an account validation and personal identity verification process if they choose ACH or will go through a personal identity verification process before the debit card is authorized. NoCheck’s customer verification procedures ensure a security industry leading payment portal.  **U.S. Bank Prepaid Card Fraud Assistance**  U.S. Bank has a robust fraud prevention program that includes continuous monitoring and investigating of card activity in order to control the inherent risk fraud produces. U.S. Bank will actively assist in efforts to investigate and reduce fraud. To help defend against fraud and reduce risk for cardholders, U.S. Bank has implemented the following fraud prevention processes:   * Cross-channel monitoring and controls to mitigate cyber-attacks and account take-over attempts. * Expanded account notifications to include interactive text verification. These include auto-dialer and text messages that will allow the cardholder to immediately respond to suspicious blocked transactions and confirm whether the activity is legitimate or fraud. If confirmed legitimate, the cardholder will receive an immediate exemption. * Implemented a selfie ID verification submission process to process fraud holds more efficiently. * Implemented voice printing technology that provides additional protection against account take-over-phone attempts. The tool listens to and assigns a risk score to each call by analyzing approximately 150 factors. Factors include identifying the true location of the caller (i.e. flagging spoofed calls where the caller is utilizing a tool to mask the true caller ID), the device type (e.g. land line, mobile phone, Voice Over Internet Protocol), the voice print and the reputation of the phone number. High risk calls are identified by the risk score assigned and can then be evaluated for further action. * Developed a database and rules to identify common PII (personally identifiable information) attributes across all of Prepaid’s unemployment programs. When suspicious attributes are identified, accounts are frozen until additional identity verification can be completed.   In addition, to assist in creating a stronger cardholder experience during the card issuance process, we strongly encourage that the State capitalize on several best practices such as:   * Passing email address and phone number to U.S. Bank in the enrollment file so U.S. Bank can communicate with the cardholder rapidly if fraud is suspected and U.S. Bank can provide advance notice that the card is on its way. * Sending U.S. Bank enrollment files after being fully vetted by the State and close to the first or initial funding date. Linking the timing of these two events greatly reduces cardholder confusion/frustration and reduces unnecessary calls since many cardholders expect the card to be fully funded upon receipt.   When increased levels of fraud are detected on a program, U.S. Bank shall initiate in-depth discussions with DWD to help build upon its internal identity verification and fraud prevention measures. |

* + - 1. What costs does the Vendor anticipate will be associated to the management of this program?

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| Program is currently running and there is no management fee charged. If state wants additional custom programing done there is a fee of $145.00 per hour. Activity fees charged as indicated in Attachment D: Cost Proposal (Excel Workbook). |

* + - 1. How does the Vendor envision the fraud prevention relationship with DWD?

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| We recommend that DWD continue to conduct in-depth personal identity verification at time of enrollment in UI benefits. To help further minimize any fraud, we expand upon that ID verification process with the account verification steps that we institute when initiating the payment choice, which includes:  1. The validated claimant demographic information is received directly from the DWD. When the claimant selects direct deposit as their preferred payment, NoCheck verifies that the bank account belongs to the claimant verifies email a phone number and IP address, the account is open and in good standing. Future functionalities may include taking copy of driver’s license/ID verification and biometric verification.  2. Validate that the claimant was only receiving payments authorized by DWD.  3. Monitor depository accounts to watch for suspicious depository activity. Third party debit cards are easy to acquire so we check that a claimant only receives authorized payments per pay period to only one destination account. |

* + - 1. How does the Vendor propose to provide proof of constructive receipt by the claimant?

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| NoCheck receives validated demographic information from the DWD, including claimant name, address, date of birth, phone number and Social Security number. At this point, the claimant is transferred seamlessly to the NoCheck portal in order to select their preferred payment method. If direct deposit, the claimant enters routing and account number bank information. NoCheck validates that the bank account belongs to the claimant and is open and in good standing and verifies email a phone number and IP address. Future functionalities may include driver’s license/ID verification and biometric verification. |

* + - 1. How will the Vendor administer funds returned by the claimant’s depository?

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| 1. If a direct deposit is elected, routing and account numbers are validated upon entry. In the case of a return, the claimant will be contacted to verify that the routing and account numbers are correct. Incorrect routing or account numbers amount to 95% of the issues with banking deposits. If the claimant does not update the record within a specified period of time, a debit card will be issued and the returned payment will be applied to the issued card.  2. If they are using a debit card initiated by us, we will make sure they have activated the card and, if so, we will perform a test load to make sure that the card is being addressed properly. If that works, we will re-initiate the funding to the card and verify a successful completion of the process.  3. If a check is returned, the claimant will be contacted to re-verify the address of the claimant. The claimant is responsible for contacting the DWD in order to update their address of record. The DWD is the official holder of record for claimant demographic data. |

* + - 1. What additional information or risks should DWD be considering with regard to implementing this program?

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| This solution is a win-win by utilizing your existing proven portal provider and enhancing the program with a best-in-class prepaid card solution – incorporating an industry best practice of offering a prepaid card to the unbanked. DWD will have the peace of mind knowing their prepaid card solution is backed by a top-rated, ethical national bank.  In addition to experience that U.S. Bank offers—having established one of the first government prepaid card benefit program in 2001—NoCheck brings years of experience working with the DWD team and other state unemployment compensation initiatives. We have developed and implemented a claimant payment portal and a number of enhancements to significantly reduce fraud in the system. Continuing to use this system allows DWD to continue with a hybrid model where all deposits will to be made through a DWD controlled account. DWD can continue to send payment orders through the NoCheck system. Those nightly orders from DWD are in turn disbursed to the claimants according to their preferred payment selection.  U.S. Bank’s abilities beyond prepaid reinforces our depth in the global payment industry. They provide a full-service banking experience for our clients, including treasury management solutions and industry insight that our competitors cannot offer. |

**Mandatory Unemployment Insurance Benefit Payment Distribution Vendor Requirements**

Please verify, by completing the table below by writing Yes or No, that you will meet all Mandatory Requirements. If the requirement is met by a sub-vendor, please identify this (by requirement) with a written statement below, noting the specific sub-vendor.

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| **1** | |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Section** | | **Requirement** | | **Yes/No** | | | 1.1 | | The Vendor shall follow all State and federal laws and regulations in the performance of its duties providing the Unemployment Insurance Benefit Payment Distribution. | | YES | | | 1.1 | | The Vendor shall provide advanced warning of all changes. Minor changes shall require at least thirty (30) days’ notice, while major changes shall require at least ninety (90) days’ notice. | | YES | | | 1.1 | | The Vendor shall have a minimum of three viable payment distributions options, but no option shall be a program or State of Indiana branded stored value card. | | YES | | | 1.2 | | The Vendor will receive the funds from DWD on behalf of State and Federal UI programs and will distribute funds according to the claimant’s preference without relying on DWD to initiate, maintain, direct, or otherwise administer the selection of the payment method. | | YES | | | 1.2 | | The Vendor shall be responsible for distributing payments, managing account records, ensuring appropriate security measures and fraud detection methods are employed over the course of the Contract, providing customer service functionalities, and assisting with marketing efforts. | | YES | | | 1.2 | | The Vendor is prohibited from charging fees to claimants related to the distribution of funds to the claimant’s designated payment method. | | YES | | | 1.2 | | The Vendor shall have a default payment method, generally a check or money-order, where the claimant has failed to authorize a payment method within ten business days after DWD authorizes a distribution. | | YES | | | 1.2 | | The Vendor is required to safeguard the funds distributed to them until the funds are distributed to the claimant through an FDIC insured depository or equivalent. | | YES | | | 1.3 | | The Vendor shall have a payment distribution election mechanism available to the claimant no more than one business day after the information is transmitted and, ideally, in as near to real-time as reasonably possible. | | YES | | | 1.3 | | The Vendor shall be responsible for re-verification of the claimant’s identity against the information provided by DWD at the time of the claimant’s original payment distribution election and at any time that the claimant changes distribution elections | | YES | | | 1.3 | | Vendor shall fund the claimant via their preferred method on the same day that the funding file and funding are provided to the Vendor to the extent that the claimant has elected a payment distribution method. | | YES | | | 1.3 | | The Vendor shall use the default mechanism for funding in the event that the claimant has not elected a payment distribution method within ten (10) business days of the first distribution by DWD to the Vendor on behalf of the claimant. | | YES | | | 1.3 | | The Vendor shall have a reconciliation mechanism regarding funds which are returned for any reason to the Vendor after a distribution has been initiated (rejection) which shall include the original funding date, the attempted distribution date, the return reason, the amount returned, and the rejection date. | | YES | | | 1.3 | | The Vendor shall return funds which could not be distributed to a claimant due to a rejection to DWD not later than two calendar years after the rejection of the distribution in the form and manner to be determined. | | YES | | | 1.4 | | The Vendor shall submit the reporting as required in section 1.4 of the SOW | | YES | | | 1.5 | | The Vendor shall self-identify any failures, delays, or slow processing of State transmitted files or data. Such identification must be conveyed to the State upon discovery and include a plan for timely remedy of the issue | | YES | | | 1.5 | | The Vendor shall furnish a point of contact for the State to communicate any issues it discovers. This knowledgeable contact (which need not be a single individual) must be available 24 hours a day, seven days a week. The contact must be able to respond to State inquiries or questions in fewer than 30 minutes, though such a response may necessarily be only an acknowledgement of receipt of the State’s issue. In the event that the contact’s response is a receipt and acknowledgement (but not answer or resolution), the Vendor shall endeavor to resolve the issue or provide an answer within two (2) hours, and in any case with all deliberate speed. The contact should continue to provide periodic updates regarding the issue until it is remedied | | YES | | | 1.6 | | The Vendor shall ensure that any website, web portal, browser plug-ins, or provided software for all transactions and functions (e.g., file transfers, reporting, status review, etc.) are compatible with Microsoft Windows 10 and greater, Internet Explorer 11 and greater, Safari, and the latest version of Google Chrome | | NO | | | 2.1 | | The Vendor shall advise, assist, and appropriately act to aid the State in detection and investigations of abuses by stores, Claimants, or personnel (State, Vendor, or a third party), including but not limited to, reporting unusual activity | | YES | | | 2.2 | | The Vendor shall cooperate with various authorities of the State and Federal agencies responsible for compliance with laws and regulations surrounding the distribution of Unemployment Insurance benefits to Claimants. | | YES | | | 2.3 | | The Vendor shall produce and maintain a Security Document as described in Section 2.3 of the SOW | | YES | | | 3.1 | | The Vendor assumes all Financial Liability as described in section 3.1 of the SOW | | YES | | | 4.1 | | The Vendor assumes all responsibilities and requirements for Protection of Personal or Private Information as described in section 4.1 of the SOW | | YES | | | 5.1 | | Vendor agrees to notify the Agency within four (4) hours upon the discovery of any Adverse Incident that has or could compromise the confidentiality, integrity, or availability of Agencies’ data. | | YES | | | 5.2 | | Vendor agrees to notify the Agency of any Adverse Incident as described in section 5.2 of the SOW | | YES | | | 5.3 | | Vendor agrees to the communication, reporting, and investigation requirements related to an Adverse Incident as described in section 5.3 of the SOW | | YES | | | 5.4 | | Agency’s data shall be maintained by Vendor and sub-vendors in storage facilities located within the continental United States | | YES | | |